

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-4004/1</b>	<b>Introduction Number</b> <b>SB-0493</b>
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**Description**  
 longevity bonuses for teachers in school districts

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input checked="" type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	<b>5. Types of Local Government Units Affected</b>	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.255 (3) (bt)	

<b>Agency/Prepared By</b> DPI/ Morgan Hau (608) 264-9559	<b>Authorized Signature</b> Erin Fath (608) 266-2804	<b>Date</b> 11/5/2023
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Fiscal Estimate Narratives

DPI 11/5/2023

LRB Number	23-4004/1	Introduction Number	SB-0493	Estimate Type	Original
<b>Description</b> longevity bonuses for teachers in school districts					

**Assumptions Used in Arriving at Fiscal Estimate**

This bill will require DPI to pay a \$7,000 bonus to any teacher who has been licensed by DPI and employed by a school board continuously for five school years. Under the bill, the first qualifying year would be the 2024-25 school year, so the payouts would begin in the 2029-30 school year.

Teachers would qualify for additional bonus payments for subsequent five-year periods (i.e., payments would not be made for overlapping years). Under the bill, these payments would not count as earnings for purposes of the Wisconsin Retirement System.

Under the bill, school boards would be required to annually report to the department the names of teachers employed by the school board who are eligible for a bonus payment.

The bill creates a sum sufficient appropriation in DPI to fund the payments; the bill does not include funding in the new appropriation because the first payments would not be made until fiscal year 2029-30.

State Impact: Increase costs.

From the 2022-2023 staffing report data, approximately 49,200 teachers have five years of experience and would qualify for the \$7,000 bonus. If a similar number of teachers qualify in 2029-30, the state would make payments of approximately \$344.4 million. The annual costs to the state for these payments would vary depending on the number of teachers who reach five years (non-overlapping) of teaching experience each year. Additionally, DPI would incur staffing costs related to establishing and maintaining a mechanism to make the payments to individual.

**Long-Range Fiscal Implications**

This would increase costs to the state starting in the 2029-30 school year.